

PUBLIC WORKS & UTILITIES COMMITTEE

12-0388R

RESOLUTION ORDERING THE IMPROVEMENT OF PLUM STREET FROM  
NINTH AVENUE EAST TO SKYWOOD LANE AT AN ESTIMATED COST  
OF \$46,675.

CITY PROPOSAL:

RESOLVED, that six out of seven property owners signed a petition to pave Plum Street from Ninth Avenue East to Skywood Lane.

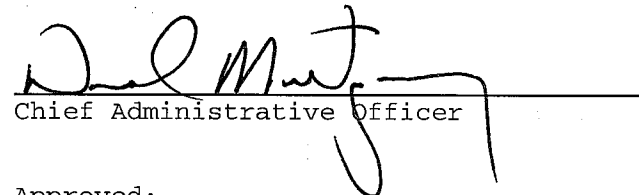
FURTHER RESOLVED, that said work be done by contract and that the estimated cost of said contract as estimated by the city engineer is \$46,675, payable from Permanent Improvement Fund 411, Department 035 (Capital Projects), Object 5530 (Improvements Other than Buildings), city project no. 1061, with 100 per cent of the costs assessable to benefitting properties.

FURTHER RESOLVED, that assessments shall be levied upon lands benefitting per the preliminary assessment roll (Public Document No. \_\_\_\_\_), and may be paid in ten annual installments at municipal bond index plus 1.50 per cent interest.

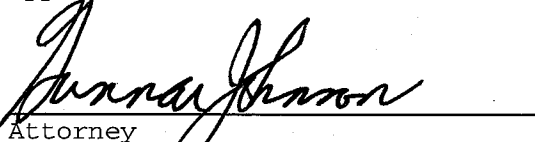
Approved:

  
Department Director

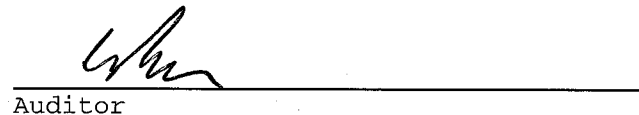
Approved for presentation to council:

  
Chief Administrative Officer

Approved as to form:

  
Attorney

Approved:

  
Auditor

ENG GS/jh 7/31/2012

STATEMENT OF PURPOSE: This resolution will order in assessable improvements of Plum Street from Ninth Avenue East to Skywood Lane.

As provided for in Section 61 of the City Charter, the process can be commenced either by petition or by action of the city council itself. The former route is being used in this case. Six out of seven property owners signed a petition requesting this improvement.

[illegible]



## MEMORANDUM

**TO:** City Council Members

**CC:** Special Assessment Board

**FROM:** Greg Stoewer, Project Engineer  
730-5109

**DATE:** July 31, 2012

**RE:** Plum Street Public Hearing  
City Project No. 1061

Pursuant to Section 61 of the Duluth City Charter, upon completion of the public hearing, the SAB ".shall transmit to the council the plans, specifications and estimates filed with it and shall report to the council its findings as to the necessity of the proposed public improvement and its recommendation therefore, and its recommendations as to the assessment, if any, of the cost thereof."

Plans and specifications will be available for review at the office of the City Engineer.

A public hearing was held in Room 106A on July 31, 2012 with the Special Assessment Board. Minutes of the hearing are attached. Comments were heard by the public and there was discussion of the construction process and assessment process. The Special Assessment Board then recommended that an ordering-in resolution for the Plum Street Improvements be on the agenda for the August 13, 2012 council meeting.

CONTRACT NBR 9902800  
 PLUM STREET RECONSTRUCT  
 FROM 8TH AVE E TO SKYWOOD LN

IMP CODE RS NUM YRS 05 TOTAL FACTORS 1.00 TOTAL COST 46.00

PLAT-PARCL	CONTRACT	IMP CODE	FACTORS	COST AMT
0010-00350	9902800	P	WEBER DEAN H 901 PLUM ST DULUTH MN 55805  RS 131.60	901 PLUM ST AUDITORS PLAT NO 1 DULUTH LOT/SEC 00 BLK/TWN RANGE LOTS 21 THRU 26 & INC LOT 38 6,053.60
0010-00410	9902800	P	EDUCATIONAL FRONTIERS INC 1600 NO 8TH AVE E DULUTH MN 55805  RS 263.20	1600 N 8TH AVE E AUDITORS PLAT NO 1 DULUTH LOT/SEC 00 BLK/TWN RANGE LOTS 35 36 AND 37 12,107.20
0010-00450	9902800	P	SCHOEN CONCETTA I 915 PLUM ST DULUTH MN 55805  RS 196.00	915 PLUM ST AUDITORS PLAT NO 1 DULUTH LOT/SEC 0000 BLK/TWN 000 RANGE 00 LOTS 39 AND 40 9,016.00
2270-01210	9902800	P	TELIN DANIEL J 1540 N 8TH AVE E DULUTH MN 55805  RS 120.00	1540 N 8TH AVE E HOMWOOD ADDITION TO DULUTH LOT/SEC 0020 BLK/TWN 003 RANGE 5,520.00
2270-01220	9902800	P	RASKOVICH MICHELLE MARIE 1539 N 9TH AVE E DULUTH MN 55805  RS 120.00	1539 N 9TH AVE E HOMWOOD ADDITION TO DULUTH LOT/SEC 0000 BLK/TWN 003 RANGE LOT 21 AND NLY 12 1/2 FT OF LOT 22 5,520.00
4425-00090	9902800	P	VAN ETTA JOHN M 1535 SKYWOOD LANE DULUTH MN 55805  RS 109.37	1535 SKYWOOD LN VIEWSITE REARRANGEMENT OF HOMWOOD LOT/SEC 0000 BLK/TWN 000 RANGE 00 LOT 9 EX SLY 12 FT AND ALL OF LOT 5,031.02
4425-00120	9902800	P	SHEEDY DAVID M & BARBARA 902 PLUM STREET DULUTH MN 55805  RS 99.28	902 PLUM ST VIEWSITE REARRANGEMENT OF HOMWOOD LOT/SEC 0000 BLK/TWN 000 RANGE LOTS 12 & 13 INC PART OF VAC ST AD 4,566.88

**PUBLIC HEARING OF THE SPECIAL ASSESSMENT BOARD**  
**Improvement of Plum Street from Skywood Lane to Eighth Avenue East**  
**July 31, 2012**

Transmitted herewith for your consideration is the report of the Public hearing, findings and recommendations of the Special Assessment Board for the above.

The hearing was called to order at 5:20 PM by David Montgomery, Chair of the Special Assessment Board.

**MEMBERS PRESENT:** Gregg Swartwoudt, City Assessor; Cindy Voigt, City Engineer; Keith Hamre, Director of Planning and Construction Services; and David Montgomery, Chief Administrative Officer.

**STAFF PRESENT:** None.

**OTHERS PRESENT:** Barbara R. Sheedy, 902 Plum Street; Ken and Connie Schoen, 915 Plum Street; John M. Van Etta, 1535 Skywood Lane; Dean H. Weber, 901 Plum Street; Kathy Ponder and Vicki Bodeen, Summit School (1600 North Eighth Avenue East).

Under consideration was the improvement of Plum Street from Skywood Lane to Eighth Avenue East.

City engineer Cindy Voigt gave a brief overview of the project. She explained that the project is a hybrid in that it is not a full reconstruction job involving utility lines but is more than a simple overlay. A great deal of excavation would have been needed to bring the street to city standards, but shouldering, ditching to control erosion, and placement of a 1 ½" wear course and 2" base course will improve the street's condition while keeping the costs to the residents down. She added that she hoped the \$46/front foot estimate is high.

Keith Hamre mentioned that someone had asked if any FEMA funds would be available for this project, as the street had sustained some damage during the June 19/June 20 flood event. Cindy said she would check, but that she believed FEMA would only cover restoration to previously existing conditions. David Montgomery said the city could try to coordinate with FEMA on this but that it would be dependent upon the nature of the repair, and that he doubted any FEMA assistance would significantly affect the final cost of the project.

John Van Etta asked if other governmental agencies such as the EPA or WLSSD would be able to offer any post-flood assistance, citing the amount of dirt washed onto the road and into the storm sewers by the heavy rainfall. David answered that the project itself would alleviate that, and that mitigation dollars from such agencies would be difficult to obtain.

Keith Hamre brought up the email communication from Daniel Telin of 1540 North Eighth Avenue East, who was unable to attend the hearing. Mr. Telin had outlined several questions about the project in his email, and Cindy addressed them individually; her responses are contained in the letter dated July 31, 2012, attached and incorporated into these minutes.

Barbara Sheedy said she had previously spoken to project engineer Greg Stoewer about the construction of a "lip" in the new road to keep water from flowing into yards on the lower side. Cindy said overall these are difficult for Street Maintenance to maintain, but she was not familiar with the details of the project and would have to consult with Greg. Ms. Sheedy added that Plum Street was originally paved and wondered why the city never maintained the pavement. Cindy replied that the city has no records of pavement ever being placed on that segment of Plum Street, that the road has never met city standards,

and that the paving could very well have been a private job.

Vicki Bodeen inquired about drainage from the driveway to the Summit School. Cindy pointed out on the plans an inlet that will collect the stormwater.

Dean Weber asked about existing pavement extending several feet in either direction from the intersecting avenues. He wanted to know if it will be removed. Cindy said it will, and that the new pavement on Plum Street will be one uniform, continuous ribbon of bituminous. Mr. Weber then asked about his driveway slope. Cindy assured him that engineering staff and the contractor will work with the residents regarding this.

Ms. Sheedy then inquired about drainage at the intersection of Plum Street and the school entrance. Cindy said water would not be allowed to run across the road, and that the grade of the road will not be altered. David added that Greg Stoewer will look at each driveway entrance.

Ken Schoen asked about the need for an easement on his corner property. He added that he had already spoken to Greg Stoewer about it and is willing to provide one. Cindy said as long as that is the case, city staff will be in touch with him and will send him the necessary documents for signatures.

Mr. Van Etta asked about the project timeline. Keith said an ordering-in resolution will go to the city council for consideration at its August 13 meeting and that there is plenty of time to advertise, bid and construct the project yet this year. David added that residents can also speak for or against the project at the August 13 council meeting.

Keith Hamre moved to recommend the project to the city council, Gregg Swartwoudt seconded, and the motion passed unanimously.

Hearing adjourned at 5:40 PM.

Respectfully submitted,

David Montgomery  
Chair, Special Assessment Board

Jeanne Horn  
Board Secretary



## City of Duluth

DEPARTMENT OF PUBLIC WORKS/UTILITIES  
Engineering Division  
211 City Hall • Duluth MN 55802  
(218) 730-5200 Fax: (218) 730-5907

July 31, 2012

Daniel J. Telin  
1540 N 8<sup>th</sup> Ave E  
Duluth MN 55805

RE: Plum Street Improvements

Dear Mr. Telin,

In response to your email dated July 31, 2012, please find:

- 1. How will these improvements affect adjoining property for the purpose of property tax calculation?**

The Assessor's office does not assess different values based upon street improvement type. There would be no change in value or taxes based upon the improvement.

- 2. Are the properties on the intersecting avenues being assessed?**

No.

**Would this be standard procedure?**

Yes, we are following standard procedure for a petitioned project.

**Does the City of Duluth pay for any portion of the improvements?**

No, unfortunately every property owner pays for their street once, usually at the time of development. This road has never been constructed to City standard, nor have the residents paid an assessment for the improvement. Therefore, as is city policy, the benefiting property owners are responsible for paying 100% of the cost for the improvements. In the future, if and when additional improvements are necessary, the current city policy is to contribute 75% of the cost for reconstruction, with 25% paid by the residents.

- 3. Educational Frontiers, Inc., the title holder of Summit School, has a Net Property Tax Capacity of \$0.00. Is this property assessed or is the financial burden carried only by taxable properties?**

Educational Frontiers, Inc. is paying based upon their front footage like all other owners benefitting from the improvement.

4. **\$46.00 per front foot (\$92.00 per running foot) seems excessive considering no improvements for sewer, water, curb, gutter, sidewalk. How does this cost compare to similar projects in the last 3 years.**

This project is not a full reconstruction project so there are no similar comparisons. What I can tell you is that the resident share, or 25% of our city standard reconstruction project, had the following rates:

- 2012 \$60/front foot
- 2011 \$50/front foot
- 2010 \$37/front foot

If this project were to be done as a full reconstruction project you could expect to pay up to \$240 per front foot.

5. **What is the estimated longevity of the improvements? Realistically?**

10-20 years. The pavement life depends on many factors. One factor that impacts pavement life is traffic volume. Because Plum Street does not have a large traffic volume I would expect it to last longer.

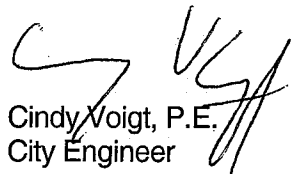
6. **At what interest rate is the 10 year/equal installments payment option calculated?**

The interest rate for July 31, 2012 would be 3.41%; however, the interest rate will be set based upon the Municipal Bond Index Fund Rate plus 1.5% on the date that the city council orders the project.

**I also have concerns regarding the road slope and drainage directions of the impermeable surface, considering the proximity to my structure.**

Work is within the ROW, matching existing longitudinal grade. The road will be crowned, as is the city standard, in order to facilitate storm water runoff and prevent ice buildup. Drainage concerns were conveyed to us during design, and we have placed drainage improvements in the design that should help collect and convey the runoff from the upper side of the road so stormwater that would normally flow onto your property will be diverted. Runoff from the lower half of the road will still be directed to the remaining right-of-way.

Sincerely,



Cindy Voigt, P.E.  
City Engineer

cc: City Council  
Jeff Cox, City Clerk  
Greg Stoewer, Project Engineer



## **Jeanne Horn - SAB Public Hearing**

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**From:** Daniel Telin <djtelin@live.com>  
**To:** <jcox@duluthmn.gov>  
**Date:** 7/31/2012 7:29 AM  
**Subject:** SAB Public Hearing

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**RE: Street Improvements - Plum Street**  
**Tuesday July 31, 2012**  
**City Hall Room 106 A**  
**5:15 pm**

I am currently out of town and unable to attend this meeting and, as I consider this to be an unnecessary financial burden imposed upon me without any input requested by those who prompted this action, I would like several questions addressed.

- 1) How will these improvements affect adjoining property for the purpose of property tax calculation?
- 2) Are the properties on the intersecting avenues being assessed. Would this be standard procedure? Does the City of Duluth pay for any portion of the improvements?
- 3) Educational Frontiers, Inc, the title holder of Summit School, has a Net Property Tax Capacity of \$0.00. Is this property assessed or is the financial burden carried only by taxable properties.
- 4) \$46.00 per front foot (\$92.00 per running foot) seems excessive considering no improvements for sewer, water, curb, gutter, sidewalk. How does this cost compare to similar projects in the last 3 years.
- 5) What is the estimated longevity of the improvements? Realistically?
- 6) At what interest rate is the 10 year/equal installments payment option calculated?

I also have concerns regarding the road slope and drainage directions of the impermeable surface, considering the proximity to my structure.

Thank you,

Daniel J Telin  
1540 N 8th Ave E  
Duluth, MN 55805